

U.S. DEPARTMENT OF ENERGY

ANNUAL REPORT TO THE SECRETARY



SMALL BUSINESS PROGRAMS

FISCAL YEAR 2007

Presented by

The Office of Small and

Disadvantaged Business Utilization

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“The hard work and ingenuity of our nation’s small business men and women are helping to sustain America’s economic growth.”

- President George W. Bush, April 20, 2007



Secretary Bodman addresses DOE’s 8th Annual Small Business Conference in Washington, DC, to discuss President Bush’s Small Business Agenda.

“Small businesses play an important role in Department of Energy’s mission success. They are leaders of innovation and their creativity has brought new technology and improved our business practices. I applaud those small business owners who take risks that help make our great Nation.”

- Secretary Bodman, June 2007

Office of Small and Disadvantaged Business Utilization (OSDBU)
FY 2007 Annual Report to the Secretary
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Annual Report to the Secretary of U.S. Department of Energy (DOE) Small Business Programs -Fiscal Year 2007

Executive Summary

In FY 2007, the Office of Small and Disadvantaged Business Utilization (OSDBU) successfully executed its ongoing programs and implemented new initiatives to increase small business participation in the Department of Energy (DOE) contracting process.

Those efforts were bolstered in June, 2007 when Secretary Bodman issued an All Departmental Elements Memorandum clearly reasserting his commitment to small business participation at DOE. “I am directing all program offices to work with the OSDBU... to identify prime contracting opportunities for small business...DOE needs to leverage other tools... and establish aggressive, realistic subcontracting goals for prime contractors...”

This report details the successful efforts by the OSDBU to effect change in the Department’s small business acquisition outcomes, including an aggressive outreach program, an advanced planning process and a structured quarterly reporting system. The FY 2007 outcomes include:

- DOE surpassed its FY 2007 prime small business goal of 4.42%. The final small business achievement of \$1.4 billion represents 6.4% of total obligations of \$22.2 billion.
- Aggressive outreach initiatives such as the Mentor-Protégé Program, the Business Opportunity Sessions (BOS), our Matchmaking Forum and the publication of a Department-wide “Forecast of Contracting Opportunities” are thriving.
- Acquisition personnel were made aware of the recent Small Business Administration’s (SBA) Recertification Rule which placed limits on the contract performance term before requiring reconfirmation that small business concerns continue to meet small business criteria.
- An updated DOE Acquisition Letter (AL) 2007-11 was issued to guide implementation of the small business programs.
- The OSDBU implemented the Advanced Planning Acquisition Team (APAT) concept, a high-level management review of acquisition strategies for major complex procurements not reserved for small business participation.

The combined achievements of the OSDBU’s effective management of DOE small business programs along with departmental program elements’ renewed focus on expanding small business opportunities culminated in DOE receiving a “Green” score on the first SCORECARD issued by the SBA. Only six other federal agencies received this score.

The OSDBU gratefully acknowledges the support of the Department’s senior leadership, the efforts of the departmental program elements, and the small business program manager (SBPM) community in achieving success in FY 2007.

Annual Report to the Secretary Small Business Programs FY 2007

I. DOE MISSION

The U. S. Department of Energy (DOE) is charged with advancing the national, economic and energy security of the United States; promoting scientific and technological innovation in support of that mission; and ensuring the environmental cleanup of the national nuclear weapons complex. Such a critical and expansive mission requires the extensive use of private sector contractors.

II. OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION (OSDBU)

The Office of Small and Disadvantaged Business Utilization (OSDBU) was established in 1979 pursuant to Public Law (PL) 95-507. The specific duties of this office have been incorporated in 15 U.S.C. 644 (k). PL 95-507 requires that the director of every federal department/agency have in place an OSDBU. The OSDBU is headed by a Director who reports directly to the Secretary or his Deputy, and is responsible for carrying out Sections 8 and 15 of the Small Business Act. The OSDBU is responsible for administering the small business programs and for promoting small business participation in contracting. The Annual Report to the Secretary on Small Business Programs documents activities and achievements during a fiscal year.

The mission of the OSDBU is to promote business opportunities for small businesses to partner with the Department of Energy. This is accomplished through effective programs designed to identify and increase small and small disadvantaged business participation in DOE contracting. Detailed information about OSDBU programs and activities is posted on the small business website: <http://smallbusiness.doe.gov>

III. APPLICABLE SMALL BUSINESS LEGISLATION

The DOE Small Business Programs are governed by numerous laws, regulations, and executive orders. A list is found in Appendix 1, "Small Business Laws and Regulations". Four significant laws and regulations are: (1) the Small Business Act; (2) the Federal Acquisition Regulations (FAR) Part 19; (3) 13 CFR, parts 121, 124, and 125; and (4) DOE Acquisition Regulation (DEAR) Supplement Part 919. Relevant laws, regulations, and policies enacted or established in Fiscal Year (FY) 2007 are addressed in this report.

A significant regulation that impacted small business in FY 2007 was the "SBA Recertification Rule" (13 CFR Parts 121, 124 and 125 issued November 15, 2006). The SBA regulation requires small firms to recertify their size status: prior to the 6th year of a contract; prior to the exercise of an option, thereafter; when it changes its name; and when a firm is acquired by or merges with another concern. An interim FAR rule was published in the Federal Register on July 5th 2007. The public comment period ended December 4th 2007.

IV. DOE BUSINESS MODEL

DOE has a unique business model whereby its field activities and national laboratories are managed on a daily basis by larger contractors. These contractors are referred to generically as Facility Management Contractors (FMC). Under this model, the Department obligates 85-90% of its procurement dollars to these contractors to manage DOE's mission and procure supplies and services.

A. Facility Management Contractors (FMC)

FMCs are dedicated to a single mission – to manage a field activity or national laboratory. Many of the FMCs are Management and Operating (M&O) contractors as described in FAR Subpart 17.6. On the average, FMCs subcontract approximately 30% of their Federal funds.

B. Non-FMC Contracts

The remaining 10-15% of DOE's procurement dollars are obligated to non-FMCs. The non-FMC prime contracts are comprised of both large and small business concerns.

V. SMALL BUSINESS GOALS AND ACHIEVEMENTS

A. Government-wide Statutory Goals

Under the statutory authority of the Small Business Act 15 U.S.C. 644 (g) (1), the President establishes annual government-wide contract goals for small business participation in providing goods and services to the Federal Government. Information on the government-wide goaling guidelines for the small business preference programs can be found at <http://www.sba.gov/GC/goals/ggtotal71503.pdf>. To ensure that small businesses get their fair share, statutory goals have been established for Federal executive agencies. The SBA statutory goals are shown below:

SBA Statutory Goals	Prime Contracts	Subcontracts
Small business	23 percent	40 percent *
Small disadvantaged	5 percent	5 percent
Women-owned	5 percent	5 percent
HUBZone	3 percent	3 percent
Service-disabled veteran	3 percent	3 percent

* Note: The 40% goal for Small Business subcontracts is not statutory, but rather an SBA recommendation.

B. FY 2007 DOE Small Business Goals

While there are government-wide statutory goals, the Small Business Act, 15 U.S.C., authorizes each agency to establish realistic goals for the award of contracts to small businesses. DOE annually negotiates department-wide goals with SBA. DOE develops its annual prime contracting small business goals by individually soliciting program elements for planned obligations to small business concerns during the projected fiscal year. The compilation of all program elements' planned obligations divided by the total procurement base represents the Department's proposed small business prime contracting

goal. This proposed goal must be approved by the Deputy Secretary before it is submitted to the Small Business Administration.

DOE develops its annual subcontracting small business goals by soliciting its major FMCs for proposed subcontracting awards to small business concerns. The compilation of proposed subcontracting awards from all FMCs divided by the respective total subcontracting dollars represents the Department's subcontracting goal. After approval by the Deputy Secretary, this goal is then proposed to the SBA.

The table below reflects the DOE/SBA negotiated goals for FY 2007, along with the 2007 achievements. The table also shows the FY 2006 achievements, which reflect the base percentage growth from FY 2006 to FY 2007.

DEPARTMENT OF ENERGY
FY 2006 and 2007 SMALL BUSINESS ACHIEVEMENTS
2007 GOALS

(Dollars in Thousands)

Category	FY 2006 Achievement		FY 2007 SB Goals		FY 2007 Achievement	
	\$	%	\$	%	\$	%
Prime Contracting Base	\$21,904,208		\$19,737,172		\$22,166,826	
Small Business	\$1,206,041	5.51%	\$871,471	4.42%	\$1,417,657	6.40%
8(a)	\$235,816	1.08%	\$240,595	1.22%	\$343,473	1.55%
Other SDB	\$120,681	0.55%	\$92,081	0.47%	\$197,944	0.89%
Total SDB	\$356,497	1.63%	\$332,676	1.69%	\$541,417	2.44%
Women-owned Small Business	\$160,084	0.73%	\$76,312	0.39%	\$230,709	1.04%
HUBZone Businesses	\$48,003	0.22%	\$21,267	0.11%	\$69,199	0.31%
Service-Disabled Veteran	\$156,421	0.71%	\$16,458	0.08%	\$99,150	0.45%
Subcontracting Base	\$7,702,665		\$7,579,795		\$7,506,356	
Small Business	\$3,565,560	46.29%	\$3,225,492	42.55%	\$3,545,911	47.24%
Small Disadvantaged Business	\$574,099	7.45%	\$598,274	7.89%	\$555,869	7.42%
Women-owned Small Business	\$693,761	9.01%	\$538,031	7.10%	\$625,957	8.34%
HUBZone Businesses	\$228,857	2.97%	\$181,062	2.39%	\$178,405	2.38%
Service-Disabled Veteran	\$53,500	0.69%	\$108,383	1.43%	\$68,185	0.91%
Total Prime and Subcontracting Small Business Awards	\$4,771,601		\$4,096,963		\$4,963,568	

C. Achievements

DOE Prime Contract Achievements

As shown in the table above, DOE surpassed its FY 2007 prime small business goal. The final small business achievement of \$1.4 billion represents 6.4% of total obligations of \$22.2 billion and exceeds the 4.42% goal. In addition to achieving its small business goal, DOE also achieved its socioeconomic goals as described below:

Small & Disadvantaged Business (SDB)

In FY 2007, DOE awarded \$541 million dollars of its procurement base to SDB firms which was \$208.7 million more than the goal. Over \$343 million went to 8(a) certified firms which is a \$102.9 million increase over FY 2006 efforts. Firms with 8 (a) designation are eligible to receive federal contracts under the Small Business Administration's 8(a) Business Development Program because it is owned and operated by a socially and economically disadvantaged individual

Women-Owned Small Business (WOSB)

In FY 2007, DOE awarded more than 1% of its funds as prime contracts to businesses owned by women. This was a \$70 million increase from FY 2006.

Historically Underutilized Business Zone Concerns (HUBZone)

In FY 2007, DOE awarded 0.31% to HUBZones, which is almost 3 times the stated goal of 0.11%.

Service-Disabled Veteran-Owned Small Business (SDVOSB)

SDVOSBs continue to be a special focus in support of the President's Executive Order 13360. The FY 2007 goal of 0.08% was far surpassed by achieving 0.45%.

DOE Subcontract Achievements

The OSDDBU utilizes summary subcontracting reports of FMCs obtained from the electronic Subcontracting Reporting System (eSRS) to track the Department's subcontracting achievement. Since the Department obligates 85-90% of its procurement dollars to FMCs, the eSRS summary achievements of FMCs characterize the total departmental subcontract percent achievement.

DOE's prime contractors awarded in excess of \$7.5 billion in subcontracts. Of this \$7.5 billion, \$3.54 billion was awarded to small business concerns, \$556.8 million to small disadvantaged business firms, \$626 million to women-owned small businesses, \$178.4 million to HUBZones, and \$68.1 million to service-disabled veteran-owned small business concerns.

VI. DEPARTMENTAL OBJECTIVE STRATEGIC RESULTS

Increase the participation of small business at all levels of Departmental procurements.

The OSDDBU worked closely with the SBA, the DOE Offices of Procurement and Assistance Management (OPAM), the DOE program element offices and small businesses to implement its 2007 strategic objectives. The following actions were taken:

1. Ensure program offices and procurement officers are briefed and fully aware of the small business legislative requirements including updates and changes in the requirements.

ACTION TAKEN: Program offices and procurement officers have been briefed on small business legislative requirements, including updates and changes in the requirements. This was accomplished through publication of a subcontract guidelines manual, the DOE acquisition guide, the FAR, the DEAR supplements, Acquisition Letters and Policy Flashes as needed.

The Acquisition Letter (AL) 2007-11, entitled “Small Business Program Updates”, was updated in FY 2007. See Appendix 2, “Acquisition Letter 2007-11”. The FAR interim final rule implementing the SBA final rule on “recertification” as published in the Federal Register July 5, 2007 (72 Fed. Reg. 36852) was provided to all Small Business Program Managers (SBPM) and procurement officers.

2. Provide technical assistance to: (1) SBPMs; (2) Small Business Concerns; and (3) Contracting Officers on small business goals and requirements.

ACTION TAKEN: A technical assistance goaling workshop for DOE program elements was conducted in June 2007, to review and explain the prime and subcontract goaling process using SBA’s guide entitled “Goaling Guidelines for Small Business Preference Program”. Other ongoing technical assistance included semi-annual Small Business Program Managers’ (SBPM) meetings, monthly SBPM conference calls, and outreach conferences. DOE has also held “brown bag” training for field and headquarters staff, monthly meetings of the Department’s Procurement Directors and monthly Procurement Policy Advisory Group (PPAG) meetings.

In FY 2007, the OSDBU initiated the first DOE Business Opportunity Session (BOS) to provide small businesses with direct technical assistance to identify and capture small business opportunities. The BOS initiative is proving to be a widely and successfully used outreach tool that connects federal acquisition officials to new and capable small businesses that might not otherwise be identified through market research. The sessions begin with an overview on understanding the DOE organization and on doing business with DOE, followed by presentations from program elements seeking to develop small business participation through current or pending contract opportunities. A secondary benefit of the BOS is that it allows small businesses, in similar or complementary fields, to identify and consider partnerships in order to pursue larger small business opportunities. In FY 2007, four BOS meetings were conducted and over one hundred targeted small businesses participated.

3. Utilize the Advanced Planning Acquisition Team (APAT) process to review all proposed high dollar, major acquisitions not reserved for small business participation in order to identify prospective small business opportunities at the prime and subcontract levels.

ACTION TAKEN: The OSDBU implemented the APAT, a high-level management review process to discuss acquisition strategies of complex, high dollar procurements not exclusively reserved for small business participation. The purpose of the APAT is to increase prime and subcontract opportunities for small business concerns to the maximum extent practicable. Ideally, APAT reviews are most effective when the acquisition strategy is still being formulated. The members of the APAT include the program manager, the Chief Acquisition Officer, procurement executives from DOE and National Nuclear Security Administration (NNSA), the OSDBU Director, and the SBA Procurement Center representative (PCR).

APAT meetings also include discussion of newly proposed small business legislation, market surveys, proposed improvements in the goaling process, removing procurement process barriers, Government Accountability Office (GAO) recommendations, and SBA agreements.

4. Oversee the development/marketing of the DOE Contracting Forecast to ensure that contracting opportunities are current and accurate.

ACTION TAKEN: OSDBU publishes a Department-wide “Forecast of Contracting Opportunities” that covers both prime and subcontract opportunities planned over the next three to five years. It can be found at www.smallbusiness.doe.gov/contract. The Department-wide forecast ensures that small businesses are aware of future contracting opportunities over \$100,000 (for both prime and subcontract) that may be set aside for small business participation. Working with the procurement office, the forecast was expanded to provide “real time” information for ongoing prime contracting actions valued in excess of the simplified acquisition threshold which are defined in Subpart 13.105 of the FAR supporting federal policy of placing a fair proportion of simplified acquisitions with small business concerns and minority business enterprises. Under this policy, each open market acquisition of supplies and services exceeding \$2,500 and not exceeding \$100,000 is reserved for small business whether using or not using simplified acquisition procedures.

The future and ongoing information contained in the forecast can be searched and sorted by DOE/NNSA contracting activity, state, type of acquisition, and North American Industrial Classification Codes (NAICC), with the point-of-contact identified for each opportunity. The forecast is used by the program offices when preparing their annual goals and can be populated by the small business program managers on a real-time basis. Reminders are sent to keep the forecast current.

5. Maintain and update the OSDBU customized small business database for use by the program offices, procurement directors, small business program managers and DOE prime contractors.

ACTION TAKEN: OSDBU has designed a new customized small business database for use by the program offices, procurement directors, small business program managers, and DOE prime contractors. The database can assist the DOE program offices and

procurement staff in identifying potential bidders at both at the prime and subcontract levels. Entries into the OSDBU database have substantially increased in FY 2007 with approximately 3,600 small businesses currently listed. New features under design will make it easier to use as well as offering more customized features for use by program offices. Additional efforts are underway to further enhance the database by increasing not only the numbers of small businesses listed, but also by expanding the information on each company. The database is continuously revised for optimal effectiveness and value.

6. Meet with the SBA to follow up on the recommendations of the Memorandum of Understanding (MOU) and Study developed by DOE.

ACTION TAKEN: The OSDBU staff meets monthly with senior officials, including the SBA Administrator and Deputy Administrator to discuss SBA small business procurement. Other regular meetings involve the senior leaders of the SBA, including the Associate Administrator, Office of Government Contracting and Business Development, as well as other key SBA staff.

The OSDBU staff attends on-going SBA training and seminars. The OSDBU Director participates in monthly SBA Procurement Council meetings and serves as a member of the Small Business Procurement Advisory Council (SBPAC) Goaling Executive Committee. At these meetings the SBA reviews and discusses the goaling strategies and assesses options and impact on overall government goaling, including the new SBA Scorecard. Additionally, relevant issues are discussed, including Prime and Subcontracting Goals, the 8(a) Mentor Protégé Program, the DOE/SBA MOU and Study, and the SBA Partnership Agreement.

7. Track and report on small business prime contract achievements on a quarterly basis.

ACTION TAKEN: Quarterly reports are prepared by the OSDBU and provided to the Deputy Secretary and program elements; see Appendix 3, Quarterly Goaling Report. They are also included in the Consolidated Quarterly Performance Report (CQPR).

8. Track and report on small business subcontracting achievements on an annual basis.

ACTION TAKEN: Subcontracting achievements are captured annually and reported in Section V of the Annual Report to the Secretary.

9. Conduct reviews of subcontracting plans and validate subcontract reports as directed by the Government Accountability Office (GAO) Report 05-459. This effort may be coordinated with the SBA pursuant to 13 CFR 125 – Small Business Government Contracting Programs.

ACTION TAKEN: In FY 2007, the OSDBU reviewed and audited the subcontracting plans of three DOE facilities and laboratories. This review was required by the Departmental Subcontracting Guidance (<https://hqlnc.doe.gov/registration>), issued in FY

2006 and supports GAO's recommendation (GAO-05-459) to improve oversight of the DOE subcontracting program. The review consisted of: (a) ascertaining whether the plan met the requirements of FAR, Part 7 and (b) whether small business goals were being met, and if not, whether or not the facility's or laboratory's processes for identifying opportunities and firms could be improved. The three facility and laboratories selected for review were: Kansas City Plant - Honeywell Federal Manufacturing & Technologies, LLC; Idaho National Laboratory, Battelle Energy Alliance, LLC; and Lawrence Berkeley National Laboratory, University of California. Recommendations for improving available opportunities for small businesses were made to the facility and laboratories.

10. Monitor and mitigate the effect of contract bundling on small business.

ACTION TAKEN: During FY 2007 there was no contract bundling proposed by DOE.

11. Support of the Bank Deposit Financial Assistance Program.

ACTION TAKEN: The Department of Energy supports the Bank Deposit Financial Assistance Program by providing Minority-Owned Financial Institutions with a stable deposit base to assist in building economic viability of minority entrepreneurs and ultimately minority communities. Minority-Owned Financial Institutions include commercial banks, savings and loan associations, and minority and women-owned and operated financial institutions. The Bank Deposit Financial Assistance Program was established by the US Treasury Department to ensure long-term success of Minority-Owned Financial Institutions.

Since 1980, the Department of Energy has used the Petroleum Pricing Violation Escrow Funds, which the Department of Energy maintains, to provide funds for the Bank Deposit Financial Assistance Program. Currently, the Bank Deposit Financial Assistance Program has 95 participating Minority Owned Financial Institutions with more than \$213 million dollars on deposit in six-month Certificates of Deposit. The average number of Certificates of Deposit at each participating Minority Owned Financial Institution is twenty (20) deposits or \$1.9 million dollars.

VII. DOE AND SBA MENTOR-PROTÉGÉ PROGRAM



Oak Ridge National Laboratory (ORNL) and Morehouse College, a historically black college and university (HBCU), sign a Mentor-Protégé Agreement with Dr. Ray Orbach, Under Secretary of Science (far right). This is the first such agreement between an HBCU and a DOE Office of Science lab. The new joint initiative will assist students in the college's science programs and promote research collaboration at both institutions.

The DOE Mentor-Protégé Program was developed by the OSDDBU several years ago and is quite effective. The program encourages prime contractors to develop small business capabilities. This is extremely useful to emerging high tech firms and firms with limited capital seeking to meet the complexities of DOE contract requirements. Prime contractors are provided with evaluation credits if they propose a mentor-protégé arrangement as part of their proposal to DOE. Once the prime contractor has been awarded a DOE contract, it can award a non-competitive subcontract to its protégé.

In FY 2007, the OSDDBU proactively solicited prospective mentors for the Mentor-Protégé Program resulting in 19 new Mentor-Protégé Agreements between DOE's prime contractors and eligible small businesses. There are currently eighty-three (83) protégés participating in the program. A sampling of DOE Mentor-Protégé success stories is provided in Appendix 4, "DOE Mentor-Protégé Program".

The SBA Mentor-Protégé Program fosters the establishment of Mentor-Protégé (MP) and Joint Venture (JV) relationships between 8(a) small businesses and large, small and/or graduated 8 (a) businesses. In FY 2007 MP/JVs bid on and won subcontracts with DOE's major Prime contractors. DOE is seeking to increase prime contracts and subcontracts with these teams. This program is managed and controlled by SBA as part of the development phase of the 8(a) program and DOE encourages greater use of the program as a way of developing 8 (a) businesses to perform DOE contracts.

VIII. DOE ANNUAL SMALL BUSINESS CONFERENCE, EXPO & MATCHMAKING FORUM

The OSDDBU once again achieved great success with the annual conference. The 8th Annual DOE Small Business Conference, Expo & Matchmaking Forum held June 27-28, 2007 in Washington, D.C. attracted approximately 1,500 conference attendees. They participated in workshops, viewed DOE prime contractor exhibits, and were invited to participate in a DOE "Matchmaking Forum". The most significant change this year was the introduction of The Veterans Corporation (TVC) as the event's co-sponsor to further support of the President's Executive Order 13360 to increase federal contracting and subcontracting opportunities for service-disabled veteran businesses.



Theresa Alvillar-Speake, Director, OSDBU, addressing the 2007 DOE Small Business Conference, Expo and Matchmaking Forum. Approximately 1,500 small businesses owners and federal procurement specialists attended the conference from across the nation.

At the Matchmaking Forum, DOE's prime contractors provided over \$7 billion in possible subcontracting opportunities. There were 1,200 appointments made to explore these opportunities, making this the most successful Matchmaking Forum to date. At this time, it is reported that \$3.4 million has been awarded to small businesses as a result of the conference efforts.



The Secretarial Small Business Award winners, along with the Deputy Secretary Clay Sell, at the **DOE Small Business Conference, Expo & Matchmaking Forum**.

Prime contractors provided over \$7 billion in possible subcontracting opportunities at the Matchmaking Forum.

IX. SMALL BUSINESS AWARDS AND SUCCESS STORIES

The Department of Energy's Annual Secretarial Small Business Awards Program recognizes DOE employee and contractor performance. The Awards Program identifies and highlights individuals, program offices, and contractors for their support of small business.

During FY 2007, the Department of Energy's Small Business Awards in twenty-one performance categories were presented to employees and contractors during a ceremony at the 8th Annual Small Business Conference in Washington, DC. Categories included Federal Small Business Program Manager of the Year, Facility Management Contractor of the Year, and Women-Owned Small Business of the Year. These awards recognize dedication and high achievement while encouraging continued support for assisting small businesses participation in Department of Energy prime and sub-contracting. A complete listing of the twenty-one recipients of the Secretarial Small Business Awards can be found in Appendix 5, "Secretarial Small Business Awards".



ORNL won the **SBA 2007 Frances Perkins Vanguard Award** for excellence in the utilization of women-owned small businesses. Pictured here are Will Minter and Keith Joy from ORNL, Small Business Program managers, displaying the award to U.S. Secretary of Energy Samuel Bodman (right).

In FY 2007 SBA recognized DOE's small business achievements. Oak Ridge National Laboratory (ORNL) was awarded the SBA 2007 Frances Perkins Vanguard Award for excellence in the utilization of women-owned small businesses. ORNL contracted with more than 270 women-owned small businesses, totaling more than \$45.1 million in subcontract work.

Another notable achievement was received in June 2007, when DOE was honored by the U.S. Department of Veteran Affairs Center for Veteran Enterprises with a "Team Award" for effective and significant use of service-

disabled, veteran-owned small businesses.

X. SMALL BUSINESS RESEARCH & TECHNOLOGY PROGRAMS

In addition to prime and subcontracting efforts, other opportunities involving research and development, technology development and technology transfer are targeted for small business. Awareness of this initiative provides a more complete view of the Department's overall efforts on behalf of small business.



Deputy Secretary Clay Sell addressing the 8th Annual Small Business Conference in June 2007

A. Small Business Innovation Research (SBIR) Program and Small Business Technology Transfer (STTR) Program

The SBIR and STTR are managed by the Department's Office of Science. Both programs are vehicles for accomplishing DOE R&D objectives.

In FY 2007, these programs obligated approximately \$126 million in grants to small businesses. The \$112.7 million for SBIR and \$13.5 million for Small Business Technology Transfer (STTR) were awarded to perform research and development of innovative advanced concepts aimed at addressing DOE R&D objectives with a particular emphasis on commercialization. The SBIR supports small businesses with strong research capabilities in science or engineering areas critical to Departmental missions.

The STTR is designed to stimulate technological innovation and to provide opportunities for small businesses to pursue substantial cooperative research collaboration with non-profit research institutions. DOE has benefited from small business participation through this research. The knowledge and technologies developed by small businesses have supported many DOE R&D activities over the years. Many small companies focusing on technology were started as a result of SBIR and STTR awards and have become valuable partners for solving high risk, high technology problems.

There are on-going research projects in 54 technical areas. These projects range from developing new sensors that monitor the electricity transmission grid to reduce blackouts, to developing ground-penetrating radar to make it possible to locate contaminated groundwater requiring clean-up. In FY 2007, 218 companies in 38 states were selected to receive a total of 318 Phase I grants worth up to \$100,000 each to explore the feasibility of their proposed innovation.

The DOE selected 113 SBIR projects and 15 STTR projects for Phase II awards to continue their research and development effort. The SBIR Phase II awards average \$727,117 each and the STTR awards average \$744,006 each for a period of up to two years. The winning projects were selected from among 1,318 Phase I grant applications and 267 SBIR/STTR Phase II grant applications. The Phase II winners were among the most successful Phase I winners from last year's SBIR/STTR competition. A detailed list of projects with additional information concerning the SBIR and STTR programs is available at <http://www.science.doe.gov/sbir>.

XI. ECONOMIC IMPACT ON COMMUNITIES

The direct economic impact of DOE facilities and labs on local communities is significant. This is especially true given the relatively small size of the communities that often surround large federal facilities. Beyond direct contracting activity, there are community benefits that are equally significant. Everywhere DOE has a presence, a symbiotic relationship develops, closely linking the DOE installation with the community. DOE's contribution to the surrounding economic development of a community includes job creation, business development, and community initiatives,

including educational assistance. All these directly impact the region's small businesses. Below is a table that reflects the increase in total procurement dollars from 2001 to 2007. These dollars are obligated to contractors in order to fulfill the Department's mission and include 10 world-class national laboratories and their field offices nationwide.

DOE Procurement Budget 2001-2007

FY 2001	\$18.6 Billion
FY 2002	\$19.0 Billion
FY 2003	\$21.0 Billion
FY 2004	\$22.0 Billion
FY 2005	\$21.5 Billion
FY 2006	\$21.9 Billion
FY 2007	\$22.0 Billion

An example of DOE's economic contribution is the impact of Sandia National Laboratory (SNL) on New Mexico.

SNL: The National Picture

Labor and Non-Contract Related Payments.....\$1,134,000,000
 Procurement Card Purchases..... \$73,000,000
 NM Corporate Tax..... \$67,000,000
 Contract Related Payments..... \$1,029,000,000

SNL: The New Mexico Picture

FY 2006 Total Contract Related Payments – of the \$1.029 billion in related contract payments, 35%, or \$362 million, were paid to New Mexico businesses and of that, \$244M, was paid to small businesses as detailed below.

Contract-Related Payments to Socioeconomic Groups

New Mexico

Small Business	\$116,681,000
Woman Owned	\$28,503,000
Hub Zone	\$8,862,000
Disadvantaged	\$20,206,000
8(A)	\$17,410,000
Veteran Owned	\$6,989,000
Disabled Veteran Owned	\$349,000

Procurement Card Purchases

Procurement Card purchases for FY 2006 were \$73 million. Roughly 25% was spent in New Mexico.

New Mexico Corporate Taxes

SNL paid \$67M to the State of New Mexico for corporate taxes.

Employment

- ▶ Sandia employs approximately 9,770 regular and temporary employees, of whom 8,730 work at Sandia's New Mexico site.
- ▶ Sandia maintains a diverse workforce. At the New Mexico site, the workforce is comprised of 67% men, 33% women, and 31% minorities.
- ▶ In 2006, of 1014 new hires, 144 graduated from a New Mexico university. There are currently 964 students participating in year-round internships.

A second example of DOE's economic impact is the Idaho National Laboratory (INL).

Idaho National Laboratory

INL is the third largest employer in Idaho, with 8,452 employees and an annual budget in excess of \$1.227 billion. It is by far the largest employer in eastern Idaho. The combined, direct and secondary economic impacts of INL accounts for 15,570 jobs in the State of Idaho. The longer-term economic effects, due to the continued presence of the Lab in eastern Idaho, is a substantial benefit to employment in Idaho. The direct and secondary effects on personal income amount to \$1.108 billion annually. Annual personal income in Idaho was estimated to be \$43.95 billion in 2006 and the Lab accounts for 2.52% of total personal income in the state.

Improving the community is a lasting hallmark of DOE presence in communities and regions that house a DOE lab or facility. As an example, INL provides \$3.4 million through Idaho colleges and universities for the continuing education of INL employees. INL contributed \$1.2 million in grants to universities in Idaho for science and technology research and development. In addition, INL and its employee's annual charitable contributions total \$44.3 million. The charitable contributions of INL employees in 2006 amounted to \$33.6 million. INL employees in Idaho also contributed 221,000 hours of volunteer services with a market value of \$3.4 million. Furthermore, the Lab contributed property with an acquisition value of \$7.3 million. All these efforts are astounding examples of what DOE gives back to the community, beyond the procurement budget.

XII. CONCLUSION

FY 2007 was an historic year for the OSDBU. Concerted efforts by program elements and subcontractors resulted in the first year in which every socioeconomic goal was reached. Equally important, small businesses are making great strides at DOE in the development of their business capabilities and technical skills, achievements not always reflected by statistics. Small businesses are innovators in new technologies, frequently

through the SBIR/STTR programs. Whether as a prime contractor or subcontractor, a protégé in a mentor-protégé relationship, or a member of a team, small businesses provide significant contributions to the DOE mission. Their success brings further benefit to their communities and states.

OSDBU programs such as the Mentor-Protégé Program and Matchmaking Forums are being institutionalized and are maturing. Efforts such as forecasting and the APAT are including small business requirements into the DOE process for consideration early enough for small businesses to have a real chance of capturing an opportunity. Outreach efforts remain strong, and the OSDBU office is committed to creating initiatives like the Business Opportunity Session (BOS) and similar efforts to introduce qualified small businesses to DOE.

Special recognition is given to the SBPM who continue to search aggressively for sound and effective ways to identify and encourage small businesses into the fold. These efforts resulted in a banner year. DOE was one of just seven out of twenty-four agencies to receive a “green” fully successful rating on the first-ever Small Business Procurement Scorecard.



XIII. ACRONYMS

AL	Acquisition Letter
APAT	Advanced Planning Acquisition Team
BOS	Business Opportunity Session
CQPR	Consolidated Quarterly Performance Report
DEAR	DOE Acquisition Regulation
DOE	U. S. Department of Energy
eSRS	eSubcontracting Reporting System
FMC	Facility Management Contracts
FAR	Federal Acquisition Regulations
GAO	Government Accountability Office
HBCU	Historically Black College and University
HUBZone	Historically Underutilization Business Zone Concerns
INL	Idaho National Laboratory
LLC	Limited Liability Corporations
M&O	Management and Operating
MOU	Memorandum of Understanding
NNSA	National Nuclear Security Administration
NAICC	North American Industrial Classification Codes
OPAM	Offices of Procurement and Assistance Management
ORNL	Oak Ridge National Laboratory
OSDBU	Office of Small and Disadvantaged Business Utilization
PCR	SBA Procurement Center representative
PL	Public Law
PPAG	Procurement Policy Advisory Group
SBIR	Small Business Innovation Research Program
SBPAC	Small Business Procurement Advisory Council
SBPM	Small Business Program Manager
SBTT	Small Business Technology Transfer Program
SDB	Small & Disadvantaged Business
SDVOSB	Service-Disabled Veteran-Owned Small Business
SNL	Sandia National Laboratory
STTR	Small Business Technology Transfer
TVC	The Veterans Corporation
WOSB	Women-Owned Small Business

XVI. APPENDIX:

[Appendix 1: Small Business Laws and Regulations](#)

[Appendix 2: Acquisition Letter 2007-11](#)

[Appendix 3: Quarterly Goaling Report](#)

[Appendix 4: DOE Mentor-Protégé Program](#)

[Appendix 5: Secretarial Small Business Awards](#)

APPENDIX: 1

Small Business Laws and Regulations

Appendix 1: Small Business Statutes and Regulations

- **The Small Business Act**, as amended (*15 U.S.C. 631 et seq.*) contains all or portions of the small business laws enacted by Congress since 1953. Significant laws contained in the Act are highlighted below.
- **Federal Acquisition Regulation (FAR), Part 19 (48 CFR Chapter 1)** contains the federal small business procurement regulations.
- **Department Of Energy Acquisition Regulation (DEAR, Part 919)**, supplement to the FAR (48 CFR part 970) and 13 CFR, parts 121, 124 and 125 contains the small business regulations initiated and implemented by DOE.
- **Public Law 95-507**, Chapter 3, Section 221, dated October 24, 1978 - An Act to Amend the Small Business Act and the Small Business Investment Act of 1958, establishing the requirement for SBA and agency goal-setting; requirement for a subcontracting plan by federal prime contractors; and established the Office of Small and Disadvantaged Business Utilization.
- **Business Opportunity Development Reform Act of 1988, Section 501** (Public Law 100-656), dated November 15, 1988, requires agencies to publish a procurement forecast of DOE's contract opportunities; establish a 5% government-wide small business goal; and conduct a Small Business Competitiveness Demonstration Program to determine when small business set-asides should cease in certain designated industries and small business awards increase for emerging small businesses.
- **Prompt Payment Act Amendment of 1988, Section 12** (Public Law 100-496), requires OSDDBU assistance to small businesses in obtaining late payment and interest penalties. The Prompt Payment Act provides that OSDDBU receive and investigate complaints of late or missing payments to small business contractors by the Department.
- **Women's Business Ownership Act of 1988, Section 502** (Public Law 100-533) requires the agency reporting requirements on first time recipients of contracts.
- **Energy Policy Act of 1992** (Public Law 102-486, Section 3021) requires agency contract awards under this Act should provide for no less than a 10 percent obligation to small socially or economically disadvantaged or women owned business, historically Black colleges and universities, and colleges and universities having a student body of 20 percent or more Hispanic Americans or Native Americans.

- **The Federal Acquisition Streamlining Act of 1994** (Public Law 103-355) dated October 13, 1994 - "Federal Acquisition Streamlining Act," Section 7106, mandates establishment of government-wide procurement goal of not less than 5 percent of all prime contract and subcontract awards for each fiscal year for small businesses owned by women (WOB).
- **Small Business Administration Reauthorization and Amendment Act of 1994** (Public Law 103-403) October 22, 1994 - "Small Business Administration Reauthorization and Amendment Act of 1994", Section 304, requires the establishment of a pilot program to provide improved access to Federal contract opportunities for Very Small Business Concerns.
- **Federal Acquisition Reform Act of 1996**, (Public Law 104-106) requires agencies to reserve for small businesses purchases up to \$100,000.
- **SBA Reauthorization Act of 1997, "Contract Bundling," Section 411-417** (Public Law 105-135, as amended 1999) requires each Federal agency to take steps to avoid unnecessary and unjustified bundling of contract requirements that preclude small business participation as prime contractors.
- **The HUBZone Act of 1997** (Public Law 105-135, Title VI) established the HUBZone Empowerment Program which provide preferences for small businesses in Historically Underutilized Business Zones (HUBZone).
- **The Veterans Entrepreneurship and Small Business Development Act of 1999** (Public Law 106-50) amended the Small Business Act by adding Small Businesses owned and controlled by service-disabled veterans to the categories of small businesses for which the federal agencies develop prime contract goals.
- **Veteran Benefit Act of 2003** (Public Law 108-183, Section 308) created the procurement authority which allows federal agencies to reserve requirements for supplies and services exclusively for the participation of service-disabled, veteran-owned, small business (SDVOSB) concerns.
- **Executive Order 12138**, "Creating a National Women's Business Enterprise Policy and Prescribing Arrangements for Developing, Coordinating and Implementing a National Program for Women's Business Enterprise," dated May 18, 1979.
- **Executive Order 13170**, "Increasing Opportunities and Access for Disadvantaged Businesses," dated October 6, 2000, requires agencies to develop a comprehensive strategic plan for increasing small disadvantaged, 8(a) and minority business enterprise participation in contracting opportunities.

- **Executive Order 13157**, "Increasing Opportunities for Women-Owned Small Business," dated May 25, 2000. This Order reaffirms the Administration's commitment to meeting a 5 percent goal for Federal Government procurement of goods and services from women-owned businesses. The Executive Order directs departments and agencies to take a series of steps to make this goal a reality.
- **Executive Order 13360**, "Providing Opportunities for Service-Disabled Veteran Businesses to Increase Their Federal Contracting and Subcontracting," dated October 20, 2004.
- **Acquisition Letter 2007-11 (revised AL 2005-08)** provides further guidance to procurement personnel on implementing certain aspects of the departmental small business programs.

Updated 12/17/07

APPENDIX: 2

Acquisition Letter 2007-11

Appendix 2: Acquisition Letter 2007-11

Small Business Update



**Department of Energy
Acquisition Regulation**

**No. 2007-11
Date 08/06/07**

ACQUISITION LETTER

This Acquisition Letter is issued under the authority of the DOE and NNSA Procurement Executives.

References:

FAR 5.303	Announcement of contract awards
FAR 19.201	General policy
FAR 19.502-2	Total small business set-asides
FAR 19.704	Subcontracting plan requirements
FAR 19.708	Contract clause
FAR 19.805	Competitive 8(a)
FAR 19.1002	Definitions
FAR 19.12	Small Disadvantaged Business Participation Program
FAR 19.1306	HUBZone sole source awards
13 CFR Chapter 1	Small Business Administration
	<i>DOE's Annual Report to the Secretary on the Small Business Programs for FY 2006</i>
	<i>Guidance on the Department of Energy's Subcontracting Program, September 2006</i>
	<i>FY 2007 DOE Strategic Plan for Small Business Partnership Agreement between SBA and DOE</i>

Effective date of the Acquisition Letter (AL)

This AL is effective upon the date of issuance.

AL Expiration

This AL remains in effect until superseded or canceled. This AL supersedes AL-2005-08 (Small Business Programs, dated June 10, 2005), which is rescinded.

Points of Contact

Contact Stephen Zvolensky, Department of Energy (DOE) Office of Procurement and Assistance Policy, at (202) 287-1307 or stephen.zvolensky@hq.doe.gov, or Gary Lyttek, National Nuclear Security Administration (NNSA) Office of Acquisition and Supply Management, at (202) 586-8304 or gary.lyttek@nnsa.doe.gov. or Nickolas Demer, Office of Small and Disadvantaged Business Utilization (OSDBU), at (202) 586-1614 or Nickolas.demer@hq.doe.gov.

Purpose of the AL

The purpose of this AL is to make available recent guidance on contracting with small business concerns. Much of the coverage from the previous AL has been moved to the Acquisition Guide Chapter 19. A summary of recent DOE publications and small business policy guidance follows.

FY 2007 DOE Strategic Plan for Small Business

The FY 2007 DOE Strategic Plan for Small Business can be found at: http://clearinghouse.doe.gov/Publications/FY_2007_Small_Business_Strategic_Plan.pdf. The document addresses the mission of the OSDBU, small business legislation, small business goaling, applicable GAO recommendation, and small business achievements.

FY 2006 Small Business Report

Policy Flash 2007-18 distributed DOE's Annual Report to the Secretary on the Small Business Programs for FY 2006. The report includes small business participation in prime contracting, subcontracting, innovative research, and technology transfer. It also covers DOE's small business programs, goals and initiatives. The report is available online at: <http://management.energy.gov/documents/FY2006SmallBusinessReport.pdf>

Guidance on the DOE Subcontracting Program

The OSDBU published a document, dated September 2006, entitled "Guidance on the Department of Energy's Subcontracting Program." It can be found at: <http://management.energy.gov/documents/SubcontractingGuidelines.pdf>. This guidance provides uniform direction to the DOE personnel and its major prime contractors in order to assist them in utilizing "best practices" in their pursuit of a comprehensive and successful subcontracting program. It also highlights the oversight responsibility of the OSDBU, and its role in ensuring that the Department engages all elements in enhancing DOE's small business subcontracting program. It identifies the roles, responsibilities, and the interaction of personnel in these roles, as they implement the departmental small business subcontracting program.

Contracting with Service-Disabled Veterans

On January 24, 2007, Steven C. Preston, the Administrator of the SBA, and Paul A. Denett, the Administrator of the Office of Federal Procurement Policy, signed a joint memorandum regarding contracting with Service-Disabled Veterans. The web link is: <https://www.whitehouse.gov/omb/memoranda/fy2007/m07-08.pdf>. The memorandum called on agencies to work closely with SBA headquarters and field offices to "continue administration coordination and outreach" to meet or exceed the service-disabled veteran-owned small business (SDVOSB) contracting goals. "The same qualities of service, leadership, and dedication exhibited by service-disabled veterans can make them ideal contractors and subcontractors," the memorandum said, "We need to continue to reach out to these small businesses, encourage their development, and create more procurement opportunities for their success." Executive Order 13360, signed Oct. 21, 2004, 69 Fed.Reg. 62549 (October 26, 2004), requires agencies to provide increased federal contracting and subcontracting opportunities to SDVOSBs.

Recertification of Small Business Size Status

The SBA issued a final rule on small business size standard recertification, which can be found in the November 15, 2006 (71 Fed.Reg. 66434) edition of the Federal Register: <http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/pdf/E6-19253.pdf>. The rule amended SBA's regulations to address the time at which size is determined for the purposes of long-term federal contracts including Governmentwide Acquisition Contracts (GWACs), the General Services Administration (GSA) Multiple Award Schedule (MAS) contracts and multi-agency contracts (MACs). SBA also amended its 8(a) Business Development regulations to address when a business concern may receive orders as an 8(a) program participant under GSA's MAS Program and other multiple award contracts.

The purpose of the rule is to ensure that small business size status is accurately represented and reported over the life of long-term Federal contracts. Currently, a small business firm keeps its size designation for the life of a contract. Under the new rules, contractors that are registered as small businesses will have to recertify their size status when they buy another company, are acquired by a company, or merge. Recertification also will be required after five years of a long-term contract, and thereafter whenever an option is exercised or an order is placed against any multiple-award type contract. Agencies will be able to continue doing business with contractors that have outgrown their small business size status; however, they will not receive small business credit for these contracts.

A FAR interim final rule implementing the SBA final rule was published in the Federal Register July 5, 2007 (72 Fed.Reg. 36852) and applies to solicitations issued and contracts awarded on or after June 30, 2007. For contracts awarded prior to June 30, 2007, Contracting Officers must modify existing long-term contracts, as defined in the interim rule at FAR 19.301-2(a), awarded to small businesses to include the clause at 52.219-28, Post-Award Small Business Program Rerepresentation. Contracting Officers must also modify contracts awarded to small business concerns, other than long-term contracts, to include the clause at 52.219-28, at the time that an option is exercised. The

clause is required in all contracts, including those awarded to other than small businesses, since there is also a possibility that a size status will change over the course of a contract due to divestitures, or loss of revenue or employees.

Applicable to existing contracts - Contracting Officers must modify existing long-term contracts awarded prior to June 30, 2007 to incorporate the interim FAR rule. Long-term contract, as defined in the rule, means a contract of more than five years in duration, including options. However, this term does not include contracts that exceed five years in duration because the period of performance has been extended for a cumulative period not to exceed six months under the clause at FAR 52.217-8, Option to Extend Services, or other appropriate authority.

Contracting Officers must also modify contracts awarded to small business concerns, other than long-term contracts, to include the clause at FAR 52.219-28, at the time that an option is exercised.

Applicable to future solicitation and awards - Contracting Officers must include 52.219-28 in all solicitation and resulting contracts issued after June 30, 2007. If a solicitation issued on or after June 30, 2007, does not include 52.219-28, and the resulting contract is expected to exceed the micro-purchase threshold, Contracting Officers must amend the solicitation to include the clause.

Updating size status in FPDS-NG - Contracting Officers are advised not to take the action required by FAR 4.602(f) until further notice. FAR 4.602(f) requires that the Contracting Officer submit a contract action report (CAR) when the contractor's size status has changed. Contractors will be re-representing their size status in the Online Representations and Certifications Application (ORCA) and notifying the Contracting Officer. If the contractor represents that it is no longer a small business, from that point forward the Department may no longer include the value of options exercised or orders issued against the contract in its small business prime contracting goal achievements. Contracting Officers must wait to submit CARs to change the contractor's size status on a contract until FPDS-NG has been modified. If a Contracting Officer submits a CAR to change the size status for prospective actions under a contract before FPDS-NG has been modified, the size status on past actions will also be changed, corrupting historic small business goaling data. Contracting Officers must also wait to submit the CAR in instances where a contractor voluntarily requests that its size status on a particular contract be changed. You will be notified by separate policy flash when FPDS-NG has been modified to accommodate the changes in size status.

Socioeconomic Program Parity

The SBA is charged with implementing the Small Business Act. The Act sets forth several specific contracting and business assistance programs, which include the 8(a) Business Development (BD), the Historically Underutilized Business Zone (HUBZone), the Service-disabled veteran-owned small business (SDVOSB) concern and Women-owned small business programs. These programs provide contracting preferences to

eligible small businesses in Federal contracting. SBA's interpretation of the Small Business Act is that it provides for parity among the HUBZone, SDVO, SBC, and 8(a) BD programs.

The FAR is being revised to ensure that it reflects SBA's interpretation of the Small Business Act and SBA's regulations regarding the relationship among the small business programs. On December 7, 2006, a FAR case was opened. A proposed draft was developed in May of 2007 and is being discussed by the DARC and the CAAC.

8(a) Small Business Partnership Agreement - SBA training

DOE received the new SBA 8(a) Partnership Agreement in February 2007. The agreement replaces previous versions and is effective through September 30, 2009. A pdf version of the Partnership Agreement can be found in Chapter 19 of Acquisition Guide at:

<http://management.energy.gov/documents/PartnershipAgreementbetweenSBAandDOE.pdf>.

Many of the terms and conditions of the previously versions remain the same. However, some new language regarding DOE's responsibilities under the agreement is included (see pages 4 through 7). The Partnership Agreement places additional emphasis on the contract oversight and management requirements of FAR Subpart 19.8, FAR Part 42, and 13 C.F.R. Part 124. A copy of the SBA training materials can be found at <http://management.energy.gov/documents/PartnershipAgreementsTraining.pdf>

Changes in Thresholds for Small Business Contracting

A final rule amending the FAR to adjust acquisition-related thresholds for inflation was published in the Federal Register on September 28, 2006, 71 Fed.Reg. 57363. This rule also amends some acquisition-related thresholds that are based on policy rather than statute. Some of the threshold changes are included in the following table.

Changes in Thresholds for Small Business Contracting

FAR CITATION	SUBJECT	OLD \$ THRESHOLD	NEW \$ THRESHOLD
5.303	Announcement of contract awards.	\$3 million	\$3.5 million
19.502-2	Total small business set-asides.	exceeding \$2,500 but not over \$100,000	exceeding \$3,000 but not over \$100,000
19.704	Subcontracting plan requirements. (Assurances that the offeror will include the clause at 52.219-8, Utilization of Small Business Concerns (see 19.708(a)), in all subcontracts that offer further subcontracting opportunities)	subcontracts in excess of \$500,000 (\$1,000,000 for construction)	subcontracts in excess of \$550,000 (\$1,000,000 for construction)
19.708	Contract clause at 52.219-9, Small	expected to exceed	expected to exceed

	Business Subcontracting Plan. in solicitations and contracts that offer subcontracting possibilities	\$500,000 (\$1,000,000 for construction)	\$550,000 (\$1,000,000 for construction)
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FAR CITATION	SUBJECT	OLD \$ THRESHOLD	NEW \$ THRESHOLD
19.805	Competitive 8(a).	anticipated total value of the contract, including options, will exceed \$5 million for acquisitions assigned manufacturing NAICS codes and \$3 million for all other acquisitions.	Anticipated total value of the contract, including options, will exceed \$5.5 million for acquisitions assigned manufacturing NAICS codes and \$3.5 million for all other acquisitions.
19.1002	Emerging small business reserve amount. (for the designated groups described in 19.1005, means a threshold established by the Office of Federal Procurement Policy)	\$25,000 for construction, refuse systems and related services, non-nuclear ship repair, landscaping and pest control services; and \$50,000 for architectural and engineering services.	\$30,000 for construction, refuse systems and related services, non-nuclear ship repair, landscaping and pest control services; and \$50,000 for architectural and engineering services.
19.1202-2	The extent of participation of SDB concerns in performance of the contract in the authorized NAICS Industry Subsector shall be evaluated in competitive, negotiated acquisitions.	expected to exceed \$500,000 (\$1,000,000 for construction).	expected to exceed \$550,000 (\$1,000,000 for construction).
19.1306	HUBZone sole source awards.	anticipated price of the contract, including options, will not exceed— \$5 million for a requirement within the NAICS codes for manufacturing; or \$3 million for a requirement within any other NAICS code	anticipated price of the contract, including options, will not exceed— \$5.5 million for a requirement within the NAICS codes for manufacturing; or \$3.5 million for a requirement within any other NAICS code

FAR CITATION	SUBJECT	OLD \$ THRESHOLD	NEW \$ THRESHOLD
19.1406	Sole source awards to service-disabled veteran-owned small business concerns.	The anticipated award price of the contract (including options) will not exceed— \$5 million for a requirement within the NAICS codes for manufacturing; or \$3 million for a requirement within any other NAICS code	The anticipated award price of the contract (including options) will not exceed— \$5.5 million for a requirement within the NAICS codes for manufacturing; or \$3 million for a requirement within any other NAICS code

Small Business Goaling

DOE annually negotiates Department-wide goals with SBA. The Department establishes individual element goals using the OSDBU goal documents and forms (found on the OSDBU website). The OSDBU's annual Small Business Strategic Plan provides steps the Department will take to increase its small business awards. See:

http://clearinghouse.doe.gov/Publications/FY_2007_Small_Business_Strategic_Plan.pdf

Listed below are both government-wide statutory goals and the DOE goals as negotiated with SBA for FY 2007.

Government-wide Statutory Small Business Goals

Prime Contracts

Small business	23 percent
Small disadvantaged	5 percent
Women-owned	5 percent
HUBZone	3 percent
Service-disabled veteran	3 percent

Subcontracts

* 40 percent
5 percent
5 percent
3 percent
3 percent

(* Note: The 40% goal for Small Business subcontracts is not statutory, but rather a SBA recommendation.)

DOE Small Business Goals

Prime Contracts

Small business	4.42 percent
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Subcontracts

41.30 percent

Small disadvantaged	1.69 percent	6.33 percent
Women-owned	.39 percent	5.76 percent
HUBZone	.11 percent	2.22 percent
Service-disabled veteran	.08 percent	1.25 percent

APPENDIX: 3

Quarterly Goaling Report

Appendix 3: Quarterly Goaling Report

U.S. Department of Energy Small Business Contracting FY 2007 Through 4th QTR - Percent Based

Source: STARS/OSDBU/PADS

Quarter Ending:
September 30, 2007

HQ Org	YTD Procurement Base	YTD SB Performance	Actual SB % Achieved	CUM SB Goal %	YTD Goal Grade
CF-DIR	5,446,221	4,987,544	91.58%	62.67%	Green
CF-WCF	35,703,156	34,112,172	95.54%	70.46%	Green
CI	240,959	211,926	87.95%	44.33%	Green
ED	731,517	726,302	99.29%	99.57%	Green
EE	723,086,546	71,337,478	9.87%	7.64%	Green
EI	36,567,723	20,438,471	55.89%	47.00%	Green
EM	5,493,610,244	392,549,758	7.15%	3.35%	Green
FE	356,387,097	107,674,503	30.21%	27.28%	Green
GC	2,752,631	2,354,500	85.54%	59.54%	Green
HR	1,388,070	1,267,042	91.28%	60.58%	Green
HG	180,805	172,780	95.56%	99.95%	Green
HS	243,886,999	69,882,274	28.65%	29.78%	Green
IG	8,985,482	581,872	6.48%	5.02%	Green
IM	78,664,126	56,899,021	72.33%	47.07%	Green
LM	38,690,618	26,571,178	68.68%	27.89%	Green
MA	18,208,674	14,318,941	78.64%	75.00%	Green
NA-10	4,929,768,525	45,596,197	0.92%	0.40%	Green
NA-20	1,748,287,647	145,026,307	8.30%	4.79%	Green
NA-30	1,077,008,629	99,804,293	9.27%	9.36%	Green
NA-40	133,136,578	7,238,801	5.44%	2.77%	Green
NA-50	168,144,239	13,137,496	7.81%	5.00%	Green
NA-60	143,085,241	60,248,037	42.11%	6.29%	Green
NA-70	613,702,769	25,365,328	4.13%	3.00%	Green
NE	426,050,058	16,540,511	3.88%	2.20%	Green
OE	71,138,374	2,910,540	4.09%	2.50%	Green
PA	233,337	146,357	62.72%	65.74%	Green
PI	2,171,217	1,052,451	48.47%	5.50%	Green
RW	374,413,092	37,273,670	9.96%	3.94%	Green
SC	2,887,323,028	44,818,401	1.55%	1.37%	Green
SWPA	11,850,136	9,765,221	82.41%	55.00%	Green
WAPA	128,265,887	109,646,325	85.48%	69.00%	Green

Misc Adj	3,196,760,556	-1,077,269			
Sum	22,955,870,181	1,421,578,428	6.19%	4.42%	Green

Green	= SB Achievement 95% and over		
Yellow	= SB Achievement between 85% - 95%		
Red	= SB Achievement 85% and under		

Remarks:

1. Power Marketing Administration (PMA) data is from the Federal Procurement Data System (FPDS-NG).
2. Purchase orders under \$100,000 are included.
3. Misc. Adj. is necessary to align the internal financial data with the external and official FPDS-NG.

APPENDIX: 4

DOE Mentor-Protégé Program

Appendix 4: DOE Mentor-Protégé Program Success Stories

1.- The Mentor-Protégé Program with Historically Black Colleges and Universities (HBCU) and BWXT Y-12, National Security Complex is helping South Carolina State University (SC State) strengthen its science curricula. Currently, Dr. Ken Lewis is on assignment to SC State to set up a radiochemistry program. During Dr. Lewis' first year of assignment, he has garnered \$1.3 million in NNSA funding that will be used for radiological equipment, student scholarships and faculty support. Additionally, Dr. Lewis has obtained over \$100,000 in state and federal grants to buy equipment. This partnership directly supports the NNSA mission of "increasing the pool of radiochemists who are U.S. Citizens".

2.- BWXT Y-12 National Security Complex has four other Mentor-Protégé Agreements with Fisk, Tennessee State, Alabama A&M, Southern Universities and is recognized as the leader in bridging the most partnerships with HBCUs. BWXT Y-12 currently employs the first graduate of the James E. Clyburn University Transportation Center who now serves an integral role in the first HBCU/NNSA Complex Fleet Management Study that includes North Carolina A&T and Hampton Universities. BWXT Y-12 National Security Complex continues to support the mission of NNSA along with enhancing the educational lives of HBCU faculty and students. Y-12 also holds the further distinction of having the most Mentor-Protégé Agreements throughout the entire NNSA Complex with small businesses

3.- On August 1, 2007, Los Alamos National Security, LLC entered into a first-ever Mentor-Protégé agreement with TSAY Construction and Services, LLC, a small business 100% owned and operated by Ohkay Owingeh Pueblo (formerly San Juan Pueblo) located just north of Los Alamos. The agreement with TSAY Construction & Services, LLC, is designed to help the company improve its ability to compete for contracts across the Department of Energy complex. Under the agreement, the Laboratory will provide technical assistance in marketing, proposal development, networking with potential customers, purchasing management, project management, and quality assurance. The TSAY-LANS Mentor-Protégé relationship is a Department of Energy program designed to encourage local community involvement and economic stimulation. Participants must submit a mutually agreed upon application for DOE approval. In addition to their DOE Mentor-Protégé agreement, TSAY has initiated a separate agreement with San Ildefonso Pueblo that provides an opportunity to build San Ildefonso's business capacity. Under the agreement, TSAY will assist and mentor San Ildefonso in building capacity, equipping the pueblo to enter into the federal contracting market so that it too may eventually pursue work at the Los Alamos Laboratory.

APPENDIX: EXHIBIT 5

Secretarial Small Business Awards

Appendix 5: Secretarial Small Business Awards

SECRETARIAL SMALL BUSINESS AWARDS

1. **FEDERAL SMALL BUSINESS MANAGER OF THE YEAR**
Recipient: David W. Hepner, Small Business Program Manager
DOE's Savannah River Operations Office
2. **MANAGEMENT & OPERATING (M&O) SMALL BUSINESS PROGRAM MANAGER OF THE YEAR**
Recipient: Victor A. Chavez, Small Business Program Manager
DOE's Sandia National Laboratories
3. **FEDERAL SMALL BUSINESS ACHIEVEMENT AWARD**
Recipient: Assistant Secretary Jim Rispoli
DOE's Office of Environmental Management
4. **M&O SMALL BUSINESS ACHIEVEMENT AWARD**
Recipient: Ernest W. Whitaker, Small Business Program Manager
Oak Ridge Associated Universities
5. **FEDERAL SMALL BUSINESS INNOVATION AWARD**
Recipient: Colleen Griffith, Team Leader
DOE's National Nuclear Security Administration Office of Management and Administration
6. **M&O SMALL BUSINESS INNOVATION AWARD**
Recipient: Keith Joy, Small Business Program Manager
UT-Battelle, LLC – DOE's Oak Ridge National Laboratory
7. **FEDERAL SMALL BUSINESS ADVANCEMENT AWARD**
Recipient: Assistant Secretary Jim Rispoli
DOE's Office of Environmental Management
8. **FEDERAL SMALL BUSINESS ADVANCEMENT AWARD**
Recipient: Frank Armstrong, Small Business Program Manager
DOE's Western Area Power Administration
9. **M&O SMALL BUSINESS ADVANCEMENT AWARD**
Recipient: Lawrence Berkeley National Laboratory
David Chen
Small Business Program Manager
10. **MENTOR-PROTÉGÉ TEAM AWARD-PROTÉGÉ**
Recipient: Sylvania Media, President
North Wind, Inc.
Idaho Falls, Idaho
11. **MENTOR-PROTÉGÉ TEAM AWARD – MENTOR**
Recipient: A.J. Mousseau, Small Business Program Manager
Bechtel BWXT Idaho
12. **SMALL BUSINESS CONTRACTOR OF THE YEAR**
Recipient: Betty Jacques, Contractor Coordinator

- Frank's Supply
Albuquerque, New Mexico
13. **8(a) SDB SMALL BUSINESS PRIME CONTRACTOR OF THE YEAR**
Recipient: Donn E. Wiese, General Manager
Tsay Corporation
San Juan Pueblo, New Mexico
14. **WOMAN-OWNED SMALL BUSINESS CONTRACTOR OF THE YEAR**
Recipient: Misty Mayes, President
Management Solutions, LLC
Knoxville, Tennessee
15. **HUBZone CONTRACTOR OF THE YEAR**
Recipient: Robert Wronski, Vice President
Zenex Precision Products
Paterson, New Jersey
16. **SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONTRACTOR OF THE YEAR**
Recipient: Robert Fitton, Vice President of Government Services
Excalibur Associates, Inc.
Alexandria, Virginia
17. **SMALL BUSINESS CONSTRUCTION FIRM OF THE YEAR**
Recipient: Mary Foster, President
TEF Construction Inc.
Albuquerque, New Mexico
18. **SMALL BUSINESS SERVICE FIRM OF THE YEAR**
Recipient: Misty Mayes, President
Management Solutions, LLC
Knoxville, Tennessee
19. **SMALL BUSINESS MANUFACTURING FIRM OF THE YEAR**
Recipient: Larry Demier
State of the Art, Inc.
State College, Pennsylvania
20. **SMALL BUSINESS TECHNOLOGY FIRM OF THE YEAR**
Recipient: William D. Barham, Vice President
Holman's Inc.
Albuquerque, New Mexico
21. **SBIR/STTR FIRM OF THE YEAR**
Recipient: Dr. Charles Kolb
Aerodyne Research Inc.
Billerica, Massachusetts